

01/17/2003
1765139 - R8 SDMS

Sheldon Muller
8ENF-L
STATE OF COLORADO

Bill Owens, Governor
Douglas H. Benevento, Acting Executive Director

Dedicated to protecting and improving the health and environment of the people of Colorado

4300 Cherry Creek Dr. S.
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Colorado Department
of Public Health
and Environment

January 17, 2003

Darcy O'Connor, 8ENF-T
U.S. EPA Region 8
999 18th Street, Suite 500
Denver, CO 80202

**Re: Industrial Wastewater Discharge Inspection Report for:
Rico Development Corporation St. Louis Tunnel Mine and Mill Site
CDPS Permit # CO-0029793
approx. 1 mile north of Rico, Dolores County, Colorado**

Dear Ms. O'Connor:

Attached please find a copy of Colorado Department of Public Health and Environment - Water Quality Control Division's December 3, 2002 inspection report for the above listed facility.

Please copy and distribute this report as you deem necessary.

If you have any questions or wish to discuss this situation further, please feel free to call me at (970) 247-5702, ext # 273.

Sincerely,

Gregory N. Brand, P.E.
District Engineer - Durango District Office
Water Quality Control Division

cc: Ashton Harrison, Town of Rico
LeRoy Gore, Dolores County Commissioners
Sheldon Muller, US EPA-Region 8-Denver
Tony Trumbly, Colorado Department of Law
Tom Schaffer, WQCD-Grand Junction
Leslie Simpson, WQCD-Denver

attachment: inspection report

**Colorado Department of Public Health and Environment
Water Quality Control Division
Industrial Wastewater Discharge Inspection Report for:**

Page 1 of 4

Rico Development Corporation
St. Louis Tunnel Mine and Mill Site
CDPS Permit # CO-0029793
approx. 1 mile north of Rico, Dolores County, Colorado

Date of Inspection: December 3, 2002

| | | | |
|--------------------|----------------------------------|-----|--------------------------------|
| Inspectors: | Gregory Brand, District Engineer | and | Jess Vann, Technician |
| | Durango District Office | | Grand Junction Regional Office |
| | Water Quality Control Division | | Water Quality Control Division |
| | ph# 970-247-5702 ext # 273 | | ph# 970-248-7155 |

WQCD did not contact Rico Properties / Rico Renaissance (Rico, CO) prior to WQCD's inspection at the Rico Development Corporation St. Louis Tunnel Mill and Mine Site ("the Site"). Although, neither Rico Properties or Rico Renaissance admit ownership or responsibility for the site and wastewater treatment facilities, neither parties have objected to WQCD visiting the Site. Both Rico Properties and Rico Renaissance have offered their assistance to WQCD if we needed any. Rico Properties / Rico Renaissance have an on-going open invitation to WQCD and EPA to access the Site, take samples, take photographs, etc., whenever we need to.

Rico Development Corporation:

Wayne E. Webster (owner, reported as Deceased)
P.O. Box 592
Athens, Texas 75751

Rico Renaissance L.L.C. and Rico Properties L.L.C.

Lynn Lang (office manager) ph# 970-967-5440
Stan Foster (realtor, developer)
Rico Properties LLC
P.O. Box 220
Rico, Colorado 81332

U.S. EPA Region 8 and Colorado Department of Law have filed a lawsuit against Rico Development Corporation for violations of the Clean Water Act. Litigation (in federal court) and Settlement Discussions are currently on-going. U.S. EPA Region 8 is currently coordinating enforcement activities.

U.S. EPA Region 8 and Colorado Department of Law

Darcy O'Connor, 8ENF-T ph# 303-312-6392
U.S. EPA Region 8
999 18th Street, Suite 500
Denver, CO 80202

Tony Trumbly ph# 303-866-5054
Natural Resources Section
Colorado Department of Law
1525 Sherman Street, 5th Floor
Denver, CO 80203

Sheldon Muller, 8ENF-L ph# 303-312-6916
Enforcement Attorney
U.S. EPA Region 8
999 18th Street, Suite 500
Denver, CO 80202

Voluntary Cleanup Contacts

Mark Walker, HMWMD-B2 ph# 303-692-3449
Voluntary Cleanup Specialist
Colorado Department of Public Health & Environment
Hazardous Materials & Waste Management Division
4300 Cherry Creek Drive South
Denver, Colorado 80246-1530

Chuck Stilwell, P.E. ph# 406-563-5211
Atlantic-Richfield Company
(Arco Minerals)
307 E. Park Street, Room 400
Anaconda, Montana 59711

On Tuesday, December 3, 2002, WQCD (G. Brand and J. Vann) conducted an inspection of the Site.

WQCD inspected the St. Louis Tunnel, the wastewater treatment facility, the St. Louis Settling Pond system, Outfall 002 which is the permitted discharge point from the Pond system to the Dolores River, and Outfall 001, also known as the Blaine Tunnel which discharges into Silver Creek.

The access road gate to the St. Louis Tunnel Site was locked and closed. A sign was posted at the gate which read as "Caution, No Trespassing, Potentially Hazardous Area". The WQCD inspectors walked around the locked gate and toured the Site. Several inches of snow were on the ground at the Site.

It became apparent to WQCD that conditions at the Site had changed and that maintenance, reclamation, or investigatory work has occurred at the Site since the inspectors last official WQCD inspection on June 4, 2002. After consultation with the Colorado Department of Law and CDPHE-Hazardous Materials & Waste Management Division (after the inspection), the WQCD inspectors were informed that the Atlantic-Richfield Company (Arco Minerals) have been on-site and have conducted various activities and studies in preparation for possibly addressing the St. Louis Tunnel Portal discharge and other possible site remediation activities.

A large steady flowrate (unable to estimate) of turbid orangish-yellow colored liquid was discharging from the St. Louis Tunnel Portal. The mine drainage flow apparently is suppose to split with part going directly to the Settling Pond system with the other part going to the wastewater treatment facility. The Splitter Box, which is located between the St. Louis Tunnel Portal and the wastewater treatment plant, was arranged such that all the mine drainage was directed into the Settling Pond system. No mine drainage flow was directed into the wastewater treatment plant.

Heavy black liner material has been placed in the diversion channels from the St. Louis Tunnel Portal to the Settling Pond system. It appeared that all mine drainage was flowing in the lined diversion channels to the Settling Pond system. Apparently, in the summer or fall 2002, Atlantic-Richfield Company (Arco Minerals) diverted the mine drainage so that all the Settling Ponds are again being utilized. The uppermost Settling Ponds were receiving mine drainage. The uppermost Settling Ponds had little ice cover on them. The middle Settling Ponds were mostly covered with ice. The lowest Settling Ponds were partially covered with ice.

WQCD inspectors did not see any of the orangish-yellow mine drainage being discharged directly from the St. Louis Tunnel Portal into the Dolores River. It appeared to WQCD that the mine drainage is flowing through the Settling Ponds prior to discharge to the Dolores River. For over six (6) years, the wastewater treatment plant (lime addition operation) has apparently been locked, and completely shut-down and non-operational. No records appeared to be kept on-site. No certified wastewater treatment operator was on-site.

In general, the St. Louis Tunnel mine drainage flows into the Settling Pond system and then flows from one pond to the next (approximately a total of 10 ponds). The initially turbid water becomes clearer as the water flows through the Settling Pond system. The entire wastewater surface flow from the Settling Pond system appeared to flow through permitted discharge point (Outfall 002). This discharge goes directly into the Dolores River. WQCD estimated the flowrate through the parshall flume at approximately 605,000 gallons per day. The location of Outfall 002 has been measured at Latitude 37°42.06 N, Longitude 108°01.83 W.

WQCD took water quality grab samples at Outfall 002. Field measurements were as follows: pH = 6.78, Specific Conductance = 1290, Temperature = 1.7° C, Dissolved Oxygen = 8.25.

Outfall 002 samples were taken, and sent to and analyzed at the State Laboratory (Denver, CO) for: Total recoverable ("TR") Cadmium, TR Copper, Total Hardness as CaCO₃, TR Lead, Mercury, TR Silver, Total Suspended Solids, and TR Zinc.
See attached sample results and supporting paperwork.

WQCD (G. Brand) inspected the Blaine Tunnel (Outfall 001) which is located east of Rico, up Silver Creek. The access road was snow-packed but passable by car, so WQCD was able to inspect the Blaine Tunnel for any discharge(s). Access to the Blaine Tunnel site has been gated off at the old mine buildings. WQCD walked from the gate at the mine buildings to the Blaine Tunnel. There was approximately 6-inches of snow on the ground at the Blaine Tunnel.

WQCD found No Discharge coming from the Blaine Tunnel (Outfall 001). Therefore, no wastewater (mine drainage) samples were taken.

Continuing Wastewater Discharge Permit Violations

1. **PC Part I.A.1.b. Effluent Limitations from Outfall 002** WQCD strongly suspects that the wastewater treatment plant (lime addition operation) has been non-operational for over (6) six years, and that effluent limitations are being exceeded.
2. **PC Part I.B.1.a. and PC Part I.B.2** According to WQCD-Denver records, the last Discharge Monitoring Report ("DMR") was filed with WQCD-Denver for August 1996. Therefore, over six (6) years of required monitoring has not been performed and reported as per permit conditions.
3. **PC Part II.A.3** WQCD-Durango does not believe the permittee has provided WQCD-Denver and/or EPA Region 8 with the proper notification regarding non-compliance at Outfall 002.

4. PC Part II.A.5 and A.6 WQCD-Durango does not believe that the permittee notified WQCD that a bypass of the Wastewater Treatment Plant has been occurring.
 5. PC Part II.A.9 The permittee has not taken all reasonable steps to minimize adverse impacts to State waters. For over six (6) years, the permittee has apparently stopped treating the mine drainage from the St. Louis Tunnel and monitoring Outfall 002, which discharges into the Dolores River. No routine maintenance is occurring at the Site.
 6. PC Part II.A.12 For over six (6) years, the permittee has apparently not properly operated and maintained all facilities and systems of treatment and control which are included under this permit.
 7. PC Part II.B.3 Although the permittee (Rico Development Corporation) has claimed that they are not responsible for the site or the permit, no transfer of ownership or control of this permit was made in accordance with this permit condition. WQCD-Durango is not aware of any written agreements regarding transfer of permit responsibility, coverage and liability.
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WQCD-Durango District Office will continue to support U.S. EPA, the Colorado Department of Law, and WQCD-Denver as needed.

Attachments: December 3, 2002 inspection report form by WQCD.
December 3, 2002 inspection photographs by WQCD.
Outfall 002 Analytical Sample Results and supporting paperwork.

CDPS FACILITY INSPECTION REPORT

Code CDPS Permit No. Insp. Date: Insp Type Inspector Facility Type Rating Biomonitoring QA County

Name of Facility

Entry Time

Permit effective date:

Physical Location:

Phone No.

Permit expiration date:

Name(s) of On-Site Representative(s)

Phone No.

Facility Mailing Address:

Operator in charge:

Email Address:

Number of Operators:

Refer to Reg 100, Sections 5, 6, 8, and 19

If Applicable (Refer to Reg 100.2(18))

Treatment

Collection

Facility Level:

Operator Level

Certificate #:

Name(s) of Person(s) Conducting Inspection

Title:

Phone No:

(S = Satisfactory, M = Marginal, U = Unsatisfactory, N/A = Not Applicable, N = Not Evaluated)

Permit

Flow Measuring

Pretreatment

Operations/Maintenan

Records/Reports

Laboratory

Compliance Schedule

Biosolids Disposal

Site Review

Effluent/Receiving Water

Self monitoring

Stormwater

SSO CMOM

On Site Analysis:

Sample Per Permit?

Contract Lab:

Does Permit Match Facility?

Total Taps: Industrial Taps:

No. of Lift Stations: I/I Problem:

Treatment Process(es) Used

Design Capacity - Hydraulic (MGD):

Present Hydraulic Loading (MGD):

Hydraulic Capacity Used %:

Design Capacity - Organic (#/day):

Present Organic Loading (#/day):

Organic Capacity Used %:

Treatment Units

☐ Barscreen

☐ Mechanical Bar Screen

☐ Comminutor

☐ Grit Removal

☐ Primary Clarifier

☐ Activated Sludge

☐ RBC

☐ SBR

☐ Trickling Filter

☐ Secondary Clarifier

☐ Anaerobic Digester

☐ Aerobic Digester

☐ Filter Press

☐ Centrifuge

☐ Drying Bed

☐ CL2

☐ DeCL2

☐ UV

☐ Filter

☐ Coagulation

☐ Polishing Pond

☐ Lagoon

☐ Aerated Lagoon

☐ Land Trmt / Reuse

☐ Wetlands

Other Treatment:

COMMENTS:

| CDPSNPDES | Outfall | Latitude | Longitude | FlowDevice | DateCalibrat | Accurate | OutfallName |
|------------|---------|-----------|------------|----------------------|--------------|--------------------------|---------------|
| CO-0029793 | 002 | 37 42.06N | 108 01.83W | 9-inch parshall flum | | <input type="checkbox"/> | Dolores River |



St. Louis Tunnel

12-3-2002



Blaine Tunnel
No Discharge

12-3-2002

Inspection of site and wastewater treatment facilities at:
Rico Development Corp. - St. Louis Tunnel Mine & Mill Site,
CDPS Permit Number = CO-0029793, Dolores County, Colorado.

Photos by: Greg Brand, WACD-Durango

See 12-3-2002 Inspection Report for narrative details.

Photo Page 1 of 1

COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
INORGANIC CHEMISTRY LABORATORY
P.O. BOX 17123, DENVER, CO 80217-0123
(303) 692-3048

DATE: 12/24/02
REPORTED BY: sa

SAMPLE NUMBER: 20025180
SAMPLE DESCRIPTION: CDPHE-WQCD-TECH SERV DURANGO SJ BASIN HEALTH

ADDRESS : P.O. BOX 140
DURANGO, CO 81301

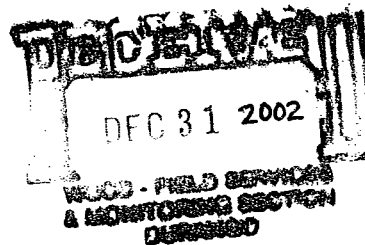
COUNTY:
PHONE : 9702475702

COLLECTED BY: JESS VANN
WHERE: ST LOUIS TUNNELL - 002
DATE SAMPLED: 12/03/02
DATE RECEIVED: 12/05/02
BOTTLES: LNEUT, LM, FLM, M
TYPE: 4
COMMENTS: Cu, Pb, Ag, Zn ALL TOTAL RECOVERABLE
DISSOLVED HARDNESS, TOTAL MERCURY

ANALYSIS RESULTS

| | | |
|--------------------|-------|------|
| CADMIUM | 5 | ug/L |
| COPPER | 11 | ug/L |
| HARDNESS, TOT. *** | 770 | mg/L |
| LEAD | < 1 | ug/L |
| MERCURY | < 0.1 | ug/L |
| SILVER | < 0.4 | ug/L |
| SOLIDS, SUS. | < 10 | mg/L |
| ZINC | 1200 | ug/L |

*** AS CaCO3





Colorado Department
of Public Health
and Environment

Laboratory and Radiation Services Division
8100 Lowry Boulevard, Denver CO 80230-6928
US Mail: PO Box 17123, Denver CO 80217
(303) 692-3090 fax (303) 344-9989

20025180

LABORATORY USE ONLY

REQUEST FOR ANALYTICAL SERVICES

TripID Collection No:

YEAR: MONTH: DAY: Collector's 3 Inits

0 2 1 2 0 3 J P V

CUSTOMER

Customer ID: EN000014

Name: CDPHE-WQCD-Tech Serv. Durango

Address: SJ Basin Health, P.O. Box 140

City/State: Durango, CO 81301

Contact: ATTN: Greg Brand, PE

Phone: 970 247-5702 x273

SAMPLE INFORMATION

Collected: 12/03/02 MILITARY TIME: 13:30
month day year hour min

Collected by: JESS VANN Matrix:

☐ Routine

☐ Rivers/Streams/Lakes

☐ TMDL

☒ Discharge

Test Panel

SITE

Permit No. CO-0029793

Description: Rico Development Corporation

St. Louis Tunnell - 002

Dolores

☐ New Station?

County:

BOTTLE INFORMATION

Sample Type:

☒ Sample

☐ Trip Blank

☐ Field Blank

☐ Duplicate

Mark numbers of bottles in box

| BOTTLE | M | FM | Neut | Nut | Hg | CN | Number |
|---------|---|----|------|-----|----|----|--------|
| 250mL | 1 | | | | | | 1 |
| 500 mL | | | | | | | |
| Liter : | 2 | | 1 | | | | 3 |
| 2 Liter | | | | | | | |
| Micro | | | | | | | |
| Other : | | | | | | | 1.40C |

TEST ORDER (Check appropriate box):

CHEMISTRY

METALS

TR diss Total

| | | | |
|-------------------------------------|-------------------------------------|-------------------------------------|-----------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Aluminum |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Antimony |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Arsenic |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Cadmium |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Chromium |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Copper |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Hardness, total |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Iron |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Lead |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Magnesium |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Manganese |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Mercury |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Nickel |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Potassium |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Selenium |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Silver |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Zinc |

NUTRIENTS

☐ Nitrite/nitrite
☐ Nitrogen, Ammonia
☐ Nitrogen, Kjeldahl
☐ Nitrogen, Total
☐ Phosphate, Total

NEUTRALS

☐ Alkalinity, Total
☐ BOD
☐ Chloride
☐ Conductivity
☐ Fluoride
☐ Nitrite
☐ Phosphate, Ortho
☐ Sulfate
☐ Solids, Dissolved
☒ Solids, Total suspended
☐ Solids, Total

OTHER

☐ Cyanide, dist
☐ Sulfide

FIELD TEST

pH:

6.78

s.u. @ 1.68 C

Alkalinity total:

Conductivity, field:

1290

☒ Discharge flow:

Oxygen, Diss:

8

25

mg/L

Stream flow:

Temp, air:

3

3

C

Temp, stream:

1

68

C

* 0.35 FT / 9" PARSHALL FLUME

RADIOCHEMISTRY

☐ Radium 226

☐ Radium 228

MICROBIOLOGY

☐ Fecal Coliforms, MTF

☐ E Coli, MPN

Chain-of-Custody Report

Page 1 of 1

Colorado Department of Public Health and Environment
Water Quality Control Division, Jess Vann

List of Samples to be Relinquished with Date of Sampling, Site #, or Sample # or ID, and Description

[illegible]